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C O N F I D E N T I A L CANBERRA 000549

NOFORN
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STATE FOR OES DAS DAVID BALTON, OES/OA JOHN FIELD AND EAP

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TAGS: PREL SENV EFIS MARR JA AS

SUBJECT: AUSTRALIA SEEKS TO PUT RELATIONS WITH JAPAN BACK
ON TRACK

REF: A. CANBERRA 459 B. CANBERRA 430 C. CANBERRA 380 D. CANBERRA 96

Classified By: Political Counselor James F. Cole. Reasons: 1.4 (b),(d)

C O R R E C T E D C O P Y : NOFORN CAPTION ADDED

SUMMARY

¶1. (C/NF) Foreign Minister Smith's May 8-9 visit to Tokyo was only partly successful in repairing the damage to the relationship caused by the whaling controversy. He sought to nuance Australia's anti-whaling stance, backing away from earlier threats to initiate international legal action against Japan with a more conciliatory preference for reaching a diplomatic solution to the issue, redefining Australia's opposition to whaling to confine it to the Antarctic region, and suspending for now the appointment of a whaling envoy to press Australia's case with Japan. The Japanese reacted coolly, according to a readout from the Department of Foreign Affairs and Trade, and the two sides remain far apart on the issue, which may require ultimate resolution through the International Whaling Commission. By contrast, the Japanese reacted enthusiastically to FM Smith's proposal to step up security cooperation, with a second Two Plus Two meeting planned before the end of the year, and renewed commitment to the Trilateral Strategic Dialogue. Prime Minister Rudd plans to use two visits to Japan in June and July to advance Australian interests in trade, climate change, defense cooperation, regional security and cooperation in the South Pacific. End summary.

Background to FM Smith's Japan Visit

¶2. (C/NF) According to a readout from Warren King (please protect), Director for Japan, Department of Foreign Affairs and Trade (DFAT), Foreign Minister Smith's May 8-9 visit to Japan was a belated add-on to a previously scheduled visit to South Korea and Hong Kong. FM Smith added Japan to his itinerary to try to address the contentious issue of whaling, specifically, to counter the negative impact of the controversy and to explore what could be done to bring about a diplomatic solution, as well as to obviate further criticism over Australia's perceived snub of Japan, following PM Rudd's omission of Japan on his recent international trip (ref A). Smith's decision to include Japan on his recent trip reflected the Foreign Minister's "evolving" position on whaling, that is, that it should not be allowed to harm or be linked to other aspects of the heretofore strong bilateral

relationship, King explained. The confrontational tactics of the anti-whaling NGO Sea Shepherd Conservation Society vessel Steve Irwin towards Japanese whaling vessels in January and February and photos of slaughtered whales and calves released by the Australian Customs vessel Oceanic Viking (reflets) had negatively impacted public opinion in Japan towards Australia, particularly among members of the Diet. FM Smith QAustralia, particularly among members of the Diet. FM Smith was concerned that the backlash would impact other bilateral initiatives, including the bilateral Free Trade Agreement negotiations.

Australian Recalibrates Anti-Whaling Policy

¶3. (C/NF) A major objective of FM Smith's visit was to register Australia's preference for a negotiated, diplomatic settlement over legal action. FM Smith had made clear Australia was not taking the possibility of international legal action off the table, King said, but promised he would provide the GOJ with advance notice, should the GOA elect to take that course. Another deliberate policy message was to recast Australia's broad anti-whaling stance to that of opposition to whaling "in the Antarctic." The GOA had also decided to put on hold the plan announced by FM Smith in December 2007 to appoint a Special Envoy on Whale Conservation to negotiate with Japan.

Multilateral Pressure: IWC

¶4. (C/NF) Beyond its bilateral efforts, Australia planned to intensify efforts to address Japan's whaling multilaterally through the International Whaling Commission (IWC), King said. Australia was following the U.S. lead in discussions with IWC Chair Dr. William Hogarth. Nevertheless, the GOA did not expect any major development's from the forthcoming IWC meeting.

Japanese Reaction

¶5. (C/NF) Japanese Foreign Minister Koumura and Chief Cabinet Secretary Machimura welcomed the Australian approach, King said, but did not commit to a diplomatic solution. Koumura and Machimura's views had "hardened," King noted, and they looked to Australia to find a way out of the controversy. He conceded the two sides remained far apart on the whaling issue with no solution in sight, but characterized Smith's trip as "partly successful" in getting things back on a diplomatic track.

Security Cooperation - Bilateral, Trilateral but no Quadrilateral

¶6. (C) In contrast, FM Smith held good discussions with his Japanese counterparts, including Japanese Defense Minister Ishiba, on alliance and security issues. The Japanese were eager to pursue closer security cooperation, King said. While a specific date was not set, the two sides agreed to hold the second 2 Plus 2 meeting of their foreign affairs and defense ministers, as provided for in the March 2007 Australia-Japan Joint Declaration on Security Cooperation, before the end of the year, perhaps in November. In his meeting with Smith, Ishiba had shown strong interest in the workings of the U.S.-Australia alliance, and had expressed his desire to strengthen the U.S.-Japan alliance comparably. The two sides asserted their commitment to the Trilateral Strategic Dialogue (TSD). (Note: Importantly, King said Prime Minister Rudd and senior Cabinet ministers had recently conducted a policy review and evaluation of Australia-Japan security cooperation, including through the TSD, and had decided to continue and expand the cooperation. End note.) King reiterated that the Quadrilateral was "dead" but did not furnish details of any discussion in Tokyo on this issue. Australia remained interested in reinvigorating its bilateral relationship with India, King commented, despite the damper resulting from Smith's announcement with Chinese FM Yang February 5 that Australia would not support further meetings of the Quad, and the earlier, separate decision by the Rudd government not to export uranium to India because it was not

an NPT signatory.

Other Issues - China, Burma, Fiji

¶7. (C/NF) In brief reference to other issues discussed, King said the Japanese told FM Smith the visit by Chinese Qsaid the Japanese told FM Smith the visit by Chinese President Hu Jintao went well. The Japanese wanted to "hose down" media euphoria over the visit, acknowledging that serious issues persisted over the East China sea. The two discussed disaster relief for Burma, and agreed that it was important for Fiji to return to democratic rule.

Preview of Prime Minister Rudd's Planned Trips to Japan

¶9. (C) Turning to PM Rudd's planned visits to Japan, King commented that PM Rudd had telephoned Japanese Prime Minister Fukuda on May 15 to discuss Burma, the first conversation ever between the two leaders. In the call, Rudd had urged Fukuda to use Japan's leverage with Burma to facilitate entry of foreign relief agencies to assist victims of Cyclone Nargis. Fukuda responded he had written to Senior General Than Shwe on this matter, but cautioned Rudd that Japan's influence over Burma was overrated. PM Rudd's planned visit to Japan in June had been hastily arranged following criticism of Rudd for bypassing Japan during his first major international trip, and after it became apparent that Rudd's scheduled trip in July to attend the G8 would not leave adequate time for bilateral meetings with Japanese leaders.

Objectives of PM Rudd's Japan Trip

¶10. (C) According to King, Rudd planned to focus on five areas for his first visit to Japan including:
-- Trade: Rudd wanted to advance progress on the bilateral FTA, particularly on securing greater market access for Australia's financial services sector, a more important area than agriculture for the GOA;
-- Climate Change: Greater bilateral and multilateral cooperation.
-- Regional Security Architecture: Rudd plans to register Australian interest in inclusion in the Northeast Asian Peace and Security Mechanism or similar security grouping that might emerge from the Six-Party Talks. While Japan remains the most skeptical of the parties over NEAPSM, Rudd will press the Japanese not to oppose Australia's eventual inclusion, while looking to the U.S. to be supportive when the time is right.
-- Defence-related (Comment: King was reluctant to disclose details in advance of Rudd's visit, but we assume Rudd would explore strengthened security cooperation under the umbrella of the Joint Declaration - see para 6 above.)
-- South Pacific: Rudd wants to cooperate with Japan more closely in the South Pacific region, and will encourage Japan to consider how it might play a larger role, not only in development aid but also in peace operations. Japan has expressed interest in participating in the Australian-led multilateral Regional Assistance Mission to the Solomon Islands (RAMSI), for example, King noted, and may be able to contribute in this regard, to the extent allowed by Japanese law.)

¶11. (C/NF) King said Australia was watching the political situation in Japan very closely. A realignment of political parties could have a major impact. He predicted that PM Fukuda would not last long, even if he is returned to power with a reduced majority. He observed the GOA was disturbed by worrying signs that Japan was drifting backward in the area of financial reforms, perhaps as vested interests took advantage of the government's relative weakness.

¶12. (C/NF) COMMENT: From the whaling imbroglio to the manner in which the Quad was quashed -- by Foreign Minister Smith citing Chinese unhappiness, during his February 5 joint press conference with Chinese Foreign Minister Yang -- and the perceived snub of Japan by Prime Minister Rudd on his first international trip, the Rudd government has not handled Qinternational trip, the Rudd government has not handled

smoothly the relationship with its second largest trading partner and second closest security partner in the region. The GOA understands that the overall relationship cannot be held hostage to the single issue of whaling, however, and is now taking the right remedial steps. End comment.